



# ARE YOU DOING EVERYTHING TO PROTECT YOUR BUSINESS FROM HIGHER TAXES?

## Help Prevent Improper Payment of Unemployment Insurance (UI) Benefits

### Did you know ...

- As a business, you help to fund UI Benefits through taxes.
- The U.S. Department of Labor estimates that last year more than 12% of UI benefits were paid improperly, totalling nearly \$13.7 billion
- One of the most common reasons for improper payments due to of inaccurate or missing information.
- Improper payment of benefits is a serious problem that can result in higher UI taxes to all employers.

### What exactly are “improper” payments?

Improper payment of UI benefits means that a claim for benefits was paid in error. An improper payment of benefits can result when the claimant or employer provides **inaccurate information** to the state UI office, or when information like the current employment status of a claimant is not received by the state UI office in a timely manner.

### What can you do to help prevent improper UI payments?

Be an active partner! Help reduce employer costs by taking three critical steps:

**1. Report all hiring to the State Directory of New Hires by the due date.**

Timely reporting helps prevent payment of ineligible UI claims after an individual has returned to work.

**2. Respond promptly to any “Request for Verification of Weekly Earnings”**

A prompt response will help prevent improper payment of UI benefits.

**3. Provide complete and accurate Employee Separation Information.**

Costly appeals and overpayments are easily avoided by providing separation information to help determine claimants eligibility for benefits.

### The Costs and Consequences of Non-Compliance

Companies that fail to comply with state and federal UI requirements face a number of preventable costs and consequences, including:

- ✓ Lost revenue paid to ineligible claimants
- ✓ Increases in employer UI taxes
- ✓ Possible fines and penalties

In addition to following the UI requirements for reporting employee information, employer partnership with the UI program is just a good business practice.

For more information, please visit <http://ows.doleta.gov/unemploy>



U.S. Department of Labor